

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:	Chapter: 13
Michael Allen and Wendy Strahm	Case No: 19-30714-beh
Debtor.	

SECOND MOTION FOR EXTENSION OF TIME TO FILE OBJECTION TO
DISCHARGE

The State of Wisconsin, Department of Children and Families (“DCF”) and Department of Health Services (“DHS”) (collectively “the State”), pursuant to Bankruptcy Rules 9006(b), 4007(c), and 4007(d), move the Court for an order enlarging the time to object to dischargeability of a debt owed by the debtor to the State for the following reasons:

1. The State made an administrative determination that Debtor Wendy Strahm was overpaid public assistance benefits in the amount of \$210,486.29 due to fraudulent representations made to the State in order to receive the benefits. (Wallace Suppl. Decl. ¶¶ 3, 6.)

2. The Debtor appealed the State’s administrative determination of the debt owed. An Administrative Appeal Hearing was scheduled for February 12, 2020. (Wallace Suppl. Decl. ¶ 9.)

3. The Administrative Law Judge (ALJ), after a phone call from the Debtors regarding obtaining tax documents, postponed the hearing until March

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17, 2020. When debtors submitted tax documents, the ALJ postponed the hearing again, to April 14, 2020. (Wallace Suppl. Decl. ¶¶ 10-11.)

4. The Debtors did not appear at the April 14, 2020 hearing, and the ALJ dismissed the appeal. (Wallace Suppl. Decl. ¶ 13.)

5. The debtors filed a request for rehearing on May 14, 2020, and the ALJ denied the request. (Wallace Suppl. Decl. ¶ 15.)

6. The Debtors have 30 days from May 14, 2020, to file an appeal petition to the Wisconsin Circuit Court. (Wallace Suppl. Decl. ¶¶ 16.)

7. The deadline to object to dischargeability in this case was scheduled for February 11, 2020. The Court granted an extension for the Wisconsin Department of Health Services to file an adversary complaint objection to dischargeability until May 29, 2020. (Order, Dkt. 42.)

8. The State needs additional time to allow for the Debtor's appeal. In addition, the record of documents is voluminous, and the State requests additional time to review the documents and investigate the facts. Depending review of the voluminous record, the State may have a sufficient basis to file an adversary proceeding for non-dischargeability under 11 U.S.C. § 523.

9. Given the current COVID-19 crisis, the State's ability to review the documents and confer with the client has been challenging due to working remotely.

The State respectfully requests an extension until June 30, 2020, to file an adversary complaint objecting to dischargeability.

Dated: May 19, 2020.

Respectfully Submitted,

JOHSUA L. KAUL
Wisconsin Attorney General

s/Michael D. Morris
MICHAEL D. MORRIS
Assistant Attorney General
State Bar #1112934
Attorneys for State of Wisconsin

CERTIFICATE OF SERVICE

I certify that on the below date I caused to be served via the ECF system a copy of this Notice of Second Motion for Extension of Time to File Objection to Discharge, Second Motion for Extension of Time to File Objection to Discharge, Supplemental Declaration of Jolyne Wallace, Exhibit 1, and Proposed Order on the parties who are registered to receive ECF notification in this case and mailed the same to the following:

Michael J. Watton
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Scott Lieske
P.O. Box 510920
Milwaukee, WI 53203

United States Trustee
780 Regent Street, Suite 304
Madison, WI 53715

Michael Allen & Wendy Strahm
718 South 30th Street
Milwaukee, WI 53215

Dated May 19, 2020.

JOHSUA L. KAUL
Wisconsin Attorney General

s/Michael D. Morris
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